

**BOARD OF MAYOR AND ALDERMEN**

**March 16, 2004**

**7:30 PM**

Mayor Baines called the meeting to order.

The Clerk called the roll. There were twelve Aldermen present.

Present: Aldermen Roy, Gatsas, Guinta, Sysyn, Osborne, Porter, O’Neil,  
Lopez, Shea, DeVries, Garrity, Forest

Absent: Aldermen Smith and Thibault

Mayor Baines stated I do have a special presentation and ask that Hal Jordan come front and center and maybe with other members of the Board. You all know Joan Bennett who is also Chairman of the Planning Board.

**PROCLAMATION**

- Whereas,** the Greater Manchester Family YMCA will be celebrating its Sesquicentennial 150<sup>th</sup> anniversary this year; and
- Whereas,** the YMCA encompasses a diverse community of people who are interested in building a healthy spirit, mind and body; and
- Whereas,** this exceptional organization has always been committed to creating a place where all are welcome; and
- Whereas,** honesty, caring, responsibility and respect are the values instilled through the YMCA programs and practices; and
- Whereas,** Hall Jordan, who began his career at the YMCA in Waterville, Maine and later followed various paths, eventually leading him to devote his career to the YMCA in Manchester in 1989 when he became the President and CEO; and
- Whereas,** the Greater Manchester Family YMCA has always made a significant contribution to the local community and will continue to do good work for many years to come,

**NOW, THEREFORE, I, Robert A. Baines,** by virtue of the authority vested in me as **Mayor of Manchester,** do hereby proclaim tomorrow, March 17, 2004 to be

**GREATER MANCHESTER FAMILY YMCA DAY IN MANCHESTER**

In witness whereof, I have hereunto set my hand and caused the Seal of the City to be affixed this 16<sup>th</sup> day of March 2004.

Mayor Baines asked do you want to say a few words about the “Y”.

Mr. Jordan stated I just want to thank everyone in the City for the outstanding partnership we've had with the City of Manchester for so many years and I can't tell you how grateful we are for the wonderful support we've gotten from you, Mayor Baines, and so many people around this room supporting us with CIP funds and helping the children in Manchester grow up strong in spirit, mind, and body. I think it would be a great gesture of your support of the "Y", Mayor Baines, if you come and joint the "Y" tomorrow on our 150<sup>th</sup> Anniversary and begin a healthy fitness program of your own. But, really we are sincere in our appreciation and really thank you for everything you do for the "Y".

Mayor Baines stated we have postponed because of the weather, the next two presentations.

4. NH Department of Revenue presentation regarding the State Education Property Tax abatement application criteria for low to moderate income taxpayers.
5. Brief overview of services provided by the New Hampshire Municipal Association and the Local Government Center.

These items were deferred to the next regular meeting of the Board.

#### **CONSENT AGENDA**

Mayor Baines advised if you desire to remove any of the following items from the Consent Agenda, please so indicate. If none of the items are to be removed, one motion only will be taken at the conclusion of the presentation.

#### **Accept Minutes**

- A. Minutes of meetings of the Board of Mayor and Aldermen held on January 13, 2004 (two meetings) and January 14, 2004 (two meetings).

#### **Informational – to be Received and Filed**

- B. Copies of minutes of meetings of the Manchester Airport Authority held on October 9, 2003 and December 18, 2003.
- C. Copies of minutes of meetings of the Manchester Transit Authority held on February 3, 2004 and the Financial and Ridership Reports for the month of January 2004.
- D. Communication from the NH Department of Environmental Services advising of the City's compliance with NH Solid Waste Rules Part Env-Wm 3100 and federal regulation 40 CFR Part 258.74 regarding the Municipal Unlined Landfill.
- E. Copy of a communication from the Commissioner of the NH Department of Environmental Services to the Federal Energy Regulatory Commission regarding PSNH's Hydroelectric Project No. P-1893-042: Additional Study Requests.
- F. Communication from the NH Department of Transportation advising of contemplated awards.

## **REFERRALS TO COMMITTEES**

### **COMMITTEE ON FINANCE**

**G.** Bond Resolutions:

“Authorizing Bonds, Notes or Lease Purchases in the amount of Four Million Four Hundred Thousand Dollars (\$4,400,000) for the 2004 CIP 511404, Clem Lemire Sports Complex – Memorial High School Project.”

“Authorizing Bonds in the amount of Thirty Million Dollars (\$30,000,000) for Refunding Certain Outstanding Bonds of the City.”

“Authorizing Municipal Revenue Bonds in the amount of Ninety Million Dollars (\$90,000,000) for Refunding Certain Outstanding Municipal Revenue Bonds of the City.”

**H.** Resolution:

“Amending the FY 2004 Community Improvement Program, authorizing and appropriating funds in the amount of Four Million Four Hundred Thousand Dollars (\$4,400,000) for FY2004 CIP 511404 Clem Lemire Sports Complex – MHS Project.”

## **REPORTS OF COMMITTEES**

### **COMMITTEE ON BILLS ON SECOND READING**

**I.** Recommending that Ordinance:

“Amending certain provisions of the Motor Vehicles and Traffic Ordinances to provide for increased penalties for parking in a Handicapped Parking Space and to provide penalties for parking in a Handicapped Parking Space Access Aisle.”

ought to pass.

**J.** Recommending that Ordinance:

“Amending Section 70.55 Residential Parking of the Code of Ordinances of the City of Manchester by adding additional area to Residential Parking Permit Zone #4.”

ought to pass.

**K.** Recommending that Ordinance:

“Amending the Code of Ordinances of the City of Manchester by creating §75.00 Motorized Scooters established to govern the use of motorized scooters in the City of Manchester.”

ought to pass.

**L. Recommending that Ordinance:**

“An Ordinance amending Section 92.24 Tampering with Alarm Boxes by establishing an initial and annual renewal fee for persons authorized under the Fire Department Listed Agent Program.”

ought to pass.

**COMMITTEE ON TRAFFIC/PUBLIC SAFETY**

- M.** Recommending that a request from Robin Bonneau for the use of Arms Park for the 13<sup>th</sup> Annual WGIR/FM Memorial Weekend fireworks display on Sunday, May 30, 2004 with a rain date of Monday, May 31, 2004 be granted and approved under the direct supervision of the City Clerk, Fire, Highway, Police, Traffic and Risk Departments.
- N.** Recommending that regulations governing standing, stopping, parking and operations of vehicles be adopted and put into effect when duly advertised and posted.
- O.** Advising that they have approved a request for the installation of 15 signs with the Lions International logo, under grandfathering provisions, subject to the review and approval of the Traffic Director regarding locations, size, and design.
- P.** Advising that with respect to the Old Wellington Road Signalization Project the Committee has approved the roadway extension with signalized intersection at Edward J. Roy Drive and Wellington Road and has referred same to the Committee on Community Improvement for funding review with recommendation that same be paid from proceeds of sale of the related property.

**HAVING READ THE CONSENT AGENDA, ON MOTION OF ALDERMAN O'NEIL, DULY SECONDED BY ALDERMAN LOPEZ, IT WAS VOTED THAT THE CONSENT AGENDA BE APPROVED.**

Mayor Baines stated since Mike Colby joined my staff he has been working very closely with the City Clerk's Office to get all of the Boards and Commissions up to speed. I will explain what I am doing here, but I'm also going to ask you to suspend the rules and approve these this evening for a number of reasons.

**Airport Authority**

Bobby Stephen and Garry O'Neil to succeed themselves, term to expire March 1, 2007.

Mayor Baines stated we've had some recent resignations on the Zoning Board of Adjustment which really has created a serious situation for us and we need to move forward quickly. Marguerite Wageling resigned because she was appointed County Attorney and she sincerely regretted having to leave. She tried to stay on but she couldn't and the Chairman Bill Larkin had to resign unexpectedly...he knew it because of business vacancies. So, I asked Bob

Bennett who had resigned from the Board to come back because of his expertise in that area and Marguerite was successful in recruiting John “Ned” Lucas who’s resume is with you...Attorney General’s Office and a very well-experienced resident within the last two years to Manchester Colin T. Egan to fill the vacant alternate vacancy who has a lot of experience with planning and zoning boards and is well-schooled on those issues.

**Zoning Board of Adjustment**

Robert Bennett to fill the unexpired term of Marguerite Lefebvre Wageling, term to expire March 1, 2005.

John “Ned” Lucas to fill a vacant seat, term to expire March 1, 2007.

Colin T. Egan to fill a vacant alternate seat, term to expire March 1, 2006.

**Board of Health**

Nicholas Skaperdas and Jazmin Miranda-Smith to succeed themselves, term to expire July 1, 2006.

Mayor Baines stated the Building Board of Appeals was put together by Max Sink and people in the Building Department.

**Building Board of Appeals**

Tyler Carlisle to fill a vacant position, term to expire January 8, 2007.

Richard Roberts to fill a vacant position, term to expire January 8, 2007.

Sean Toomey to fill a vacant position, term to expire January 8, 2006.

Russell Bell to fill the unexpired term of Robert Bussiere, term to expire January 8, 2005.

Robert Bussiere to fill a vacant alternate position, term unlimited.

Frederick Matuszewski to fill a vacant alternate position, term unlimited.

**Trustees of Trust**

Philip Stone to succeed himself, term to expire January 2008.

**Manchester Development Corporation**

Gary Long and W. Stephen McMahon to succeed themselves, terms to expire March 11, 2007.

**Conduct Board**

Douglas Wenners to fill a vacant position, term to expire October 1, 2005.

Carol Resch to fill a vacant position, terms to expire October 1, 2004.

**Heritage Commission**

Alderman Mark Roy to serve as the Aldermanic Representative.

Linda Seabury to succeed herself, term to expire January 1, 2007.

Greg Faltin to fill the unexpired term of Maria Skaperdas, term to expire January 1, 2005.

**Personnel Appeals Board**

Ginger Chandler to succeed herself, term to expire March 2006.

**Art Commission**

Richard Maynard to fill a vacant position, term to expire December 1, 2006.

**Highway Commission**

William Varkas to fill a vacant position, term to expire January 15, 2007.

**Elderly Services Commission**

Fernand “Fern” Gelinas to fill a vacant position, term to expire January 2007.

**Millyard Design Review Committee**

Alderman Frank Guinta to serve as the Aldermanic Representative.

On motion of Alderman Lopez, duly seconded by Alderman Osborne, it was voted to suspend the rules and confirm the nominations as presented.

Nominations to the Conduct Board as presented by Alderman Shea.

**Conduct Board**

James W. Craig to succeed himself, term to expire October 1, 2005/  
Robert Rivard (former Alderman) to fill a vacancy, term expiring  
October 1, 2006.

On motion of Alderman Porter, duly seconded by Alderman Sysyn, it was voted to close nominations.

On motion of Alderman Shea, duly seconded by Alderman DeVries, it was voted to confirm the nominations to the Conduct Board.

10. A report of the Committee on Community Improvement was presented recommending that the Board approve a transfer of \$3,600.00 from Contingency to the Highway Department for costs related to the purchasing and erecting of a plaque in honor of former Alderman Richard “Dick” Crotty, and for such purpose a resolution has been submitted.

Alderman Osborne moved to accept, receive, and adopt the report of the Committee on Community Improvement and refer the resolution to the Committee on Finance. Alderman O’Neil duly seconded the motion. There being none opposed, the motion carried.

On motion of Alderman Garrity, duly seconded by Alderman Shea, it was voted to recess the regular meeting to allow the Committee on Finance to meet.

Mayor Baines called the meeting back to order.

**OTHER BUSINESS**

11. A report of the Committee on Finance was presented recommending that Bond Resolutions:

“Authorizing Bonds, Notes or Lease Purchases in the amount of Four Million Four Hundred Thousand Dollars (\$4,400,000) for the 2004 CIP 511404, Clem Lemire Sports Complex – Memorial High School Project.”

“Authorizing Bonds in the amount of Thirty Million Dollars (\$30,000,000) for Refunding Certain Outstanding Bonds of the City.”

“Authorizing Municipal Revenue Bonds in the amount of Ninety Million Dollars (\$90,000,000) for Refunding Certain Outstanding Municipal Revenue Bonds of the City.”

ought to pass and layover; and further that Resolutions:

“Amending the FY 2003 Community Improvement Program, authorizing and appropriating funds in the amount of Forty Thousand Dollars (\$40,000) for FY2003 CIP 511603 Recreation Facility Improvements (Leveraged) Project.”

“Amending the FY 2004 Community Improvement Program, authorizing and appropriating funds in the amount of Four Million Four Hundred Thousand Dollars (\$4,400,000) for FY2004 CIP 511404 Clem Lemire Sports Complex – MHS Project.”

“Authorizing the Finance Officer to effect a transfer of Three Thousand Six Hundred Dollars (\$3,600) from Contingency to the Highway Department.”

ought to pass and be enrolled.

Alderman Forest moved to accept, receive and adopt the report of the Committee on Finance.

Alderman Sysyn duly seconded the motion.

Alderman Gatsas asked, Randy, can you tell me what the cost to the City on the \$90 million refinance was and what’s the cost to do the refinancing...or the original financing...and has the offset of the savings...do you know where I’m trying to go. In other words, we paid for replacement of the bond of \$90 million...

Mr. Sherman stated I can give you the projected cost on the \$90 million, I don’t have the one from last summer with...but on the costs of issuance is roughly a half-a-million dollars, but that is already into consideration when we come up with that \$5.8 million savings.

Alderman Gatsas asked did you deduct the original placement of those costs off the \$5.8 million?

Mr. Sherman replied the cost of the original bonds was included within that original bond sale.

Alderman Gatsas asked were there legal costs included in this?

Mr. Sherman replied no, the \$500,000 that I have here would include the bond counsel for the underwriter, would not include the City’s bond counsel.

Alderman Gatsas asked what is the cost to the City’s bond counsel?

Mr. Sherman replied the cost to the City's bond counsel would typically come out of the Finance Department budget. The only thing I would say is that the City's bond counsel is under bid and they get a fee based on the amount of bonds and their fee for something like this would probably be in the \$40,000-50,000 range.

Mayor Baines called for a vote on the motion. There being none opposed, the motion carried.

- 10.** A second report of the Committee on Community Improvement was presented recommending that a request from the Manchester Housing and Redevelopment Authority and Richard Anagnost for financial assistance in the amount of \$1,000,000 to develop affordable housing on the Old Wellington Road parcel, that the Board of Mayor and Aldermen approve up to \$1,000,000 subject to final review by CIP staff on amount, terms and length of loan with related resolutions to be submitted to the Board at a later date.

Alderman Forest moved to accept, receive, and adopt the second report of the Committee on Community Improvement. Alderman Sysyn duly seconded the motion.

Alderman Gatsas asked where is the \$1 million coming from?

Mr. MacKenzie replied the Committee asked us to do negotiations on the terms of the loan and also to look at the fund. It would come from either one of two sources. One are HUD HOME funds which we have been told will be a little over \$900,000 for next fiscal year, the other option is the Affordable Housing Trust Fund which is on the order of \$3 million that the City has in the Trust Fund.

Alderman Gatsas asked can you explain to me what that Trust Fund is for?

Mr. MacKenzie replied that is basically repayments from prior Affordable Housing projects. The money has to be used for some type of affordable or workforce housing...those are the restrictions that HUD originally put on any repayments from their HUD-funded program.

Alderman Gatsas stated so this is just saying that this is allowing you to go forward and find a million dollars...they didn't particularly tell you from where.

Mr. MacKenzie stated that is correct. We will provide a start-up and an amending resolution once we conclude with those negotiations to finalize the term and the exact amount of the loan, it will be a loan. The Committee authorized up to a million dollars but we will be looking for a detailed analysis of the cash flow on the project before we conclude that.

Mayor Baines stated so the related resolutions will come back to the Board.



Mayor Baines called for a vote on the motion. Alderman Osborne was duly recorded in opposition. The motion carried.

Mayor Baines stated we are postponing Items #12 & 13.

**12.** Discussion regarding the 2005 revaluation.

**13.** Recommendation to be made by members of the Committee for Lobbyist Selection of a firm to represent the City on legislative affairs at the State House.

These items were deferred to the next regular meeting of the Board.

**14.** Resolutions:

“Amending the FY 2003 Community Improvement Program, authorizing and appropriating funds in the amount of Forty Thousand Dollars (\$40,000) for FY2003 CIP 511603 Recreation Facility Improvements (Leveraged) Project.”

“Amending the FY 2004 Community Improvement Program, authorizing and appropriating funds in the amount of Four Million Four Hundred Thousand Dollars (\$4,400,000) for FY2004 CIP 511404 Clem Lemire Sports Complex – MHS Project.”

“Authorizing the Finance Officer to effect a transfer of Three Thousand Six Hundred Dollars (\$3,600) from Contingency to the Highway Department.”

On motion of Alderman O’Neil, duly seconded by Alderman Garrity, it was voted that the Resolutions be read by titles only, and it was so done.

Alderman O’Neil moved that the Resolutions pass and be enrolled. Alderman DeVries, duly seconded the motion. There being none opposed, the motion carried.

Alderman Lopez asked can we have a reason as to why we are delaying Item #12?

Mayor Baines replied as we said at the beginning we were going to have people from the DRA tonight and I’ve consulted with Alderman Shea because of the weather so we are going to postpone those discussions to the next meeting because of the pending snow storm so we can get people out of here.

## **NEW BUSINESS**

A report of the Committee on Administration/Information Systems was presented recommending that the property tax credits for Veterans be increased from \$100.00 to \$250.00, and for such purpose a resolution has been submitted. The Committee notes it has provided information submitted by the Board of Assessors and copy of related RSA’s for reference.

Mayor Baines requested members of the Board of Assessors come forward. I know there is going to be a considerable discussion here this evening, I want you to know that as Mayor I am recommending that we not take any action on anything that has a fiscal impact on the City until I've had an opportunity to outline, along with the Finance Officer of the City just what the financial situation is in the City and that will take place in two weeks. In my view, it would be premature and irresponsible to take any action until you have a clear understanding of what's happening with the tax base, what's happening with revenues and what's happening with committed expenditures on the City side. Alderman Shea sat in on a meeting with me just yesterday and this is going to be a very difficult process to go through, so the Mayor is recommending we have a discussion this evening, but I am urging you not to take any action until there's an analysis of the financial situation of the City that you have not received yet.

Mr. Tellier stated we do have a handout as a result of last night's deliberations with the Committee on Administration. As a result of last night what was asked of us is to do some analysis on two different proposals. One is increasing income for single and married to \$30,000 and \$60,000 and increasing the asset limit to \$100,000. Another alternative was that increasing...applying some sort of multiplier to the present income and increasing it to \$27,500 for single and \$38,500 for joint and an asset limit of \$100,000 and I was asked by the Mayor to provide a proposal on the increase of \$27,500 and \$38,500 keeping the assets at \$75,000. In front of you are those proposals and what we estimate that those increases could result in. What we're looking at in the far right category in bold you'll see what the amounts are and you'll see a negative number. One Proposal #1 in keeping the assets and increasing modestly the income for single and joint you can see that the range can be somewhere between \$9 and \$13 million or 8-12%. If you go to the next row, we feel that the increase could be somewhere in the range of 15-20% and you can see in those negative numbers the impact or loss of value and again this is in the millions...this \$17-22 million...we have a \$3.18 billion tax base...just to remind you that for every \$10 million in assessment it results in about \$.05 impact to the rate. In Proposal #3...really at this point we are unsure as to the extent. We looked to the Town of Hooksett and what they did...I would point out to you that we went to national census data and in 2002 Hillsborough County Census Data shows that for a retired person including their social security pension, their social security income, pensions and other unearned incomes the average income is \$29,600. We went to the same census data...the best we had available was 1999...but the per household median income in 1999 was a little over \$40,000. So, taking into account increases since 1999 that would bring you into the mid-40's. So, what we're saying here in Proposal #3 is that, with all due respect, most people would qualify and I will lend myself to Assessor Hamilton who has some additional data on the number of households. What we don't have is the number of households that are owned by residents over 65 years old. It just lists some of the data as far as households that have elderly in them.

Mr. Hamilton stated we looked at finding as much information out of the census information that we could. There are estimated to be 4,569 households where the householder is 65 years or over in Manchester and according to the 2000 Census 77% of retirees own their own homes. So, that's a potential of 3,518 owners of homes that are over 65 years of age. Currently, we have 1,213 qualified recipients of the Elderly Exemption and we think that the total number is somewhere around 3,500 so an increase to 24-30 is probably not an outrageous number if we're looking at the joint income limit being at \$60,000 which is much more than the median family income in the City.

Mr. Tellier stated what I might say in closing and then offering ourselves to answer questions is my colleague Nichols has informed us that we keep...that those that do not qualify we keep all their paperwork in the event that something changes in their life or that the exemptions change so that we can notify them as a public service. We have approximately a little over a hundred applicants that missed the present qualifications by either a small amount on the income or a small amount on the assets. So, even a modest change...whatever the will of this Board is we're pretty sure that you could see anywhere from 50 to 100 immediately even with a modest change to just the asset limit or the income limit.

Alderman Porter stated I came up with the \$27,500 and the \$38,500 based on an approximate 3% increase per year from the \$24,400. I did the same thing with the \$34,400 for the joint income. I would like to do the same thing and offer an opportunity to include in that possible amendment for that amount...instead of going to \$100,000 applying the same 3% over a 4-year period which would bring it to \$85,000 asset limitation. My rationale is this...four years ago \$24,400 bought more than it does today and theoretically if a person four years ago qualified under the \$24,400 because they were making \$24,000 if we were to review them today because their increases in Social Security or perhaps a little bit of a part-time job maybe gives them a couple of thousand dollars more they would have to be eliminated because I think as part of the...I'm not making any motion...about the reviewing the Elderly Exemptions but that is part of the assessment review process that will be coming up and I think that if people were to be reviewed this summer for Elderly Exemptions or requalified some of the people that currently qualify under the \$24,400 wouldn't qualify any more because they simply got cost-of-living increases from Social Security. So, I think in fairness to translate four years ago dollars into today using a reasonable 3% compounded increased comes to...the \$24,400 would be \$27,500, the \$34,400 would be \$38,500, and the \$75,000 asset limitation could be established at \$85,500...those three numbers would accommodate a 3% compounded interest rate over the past four years. So, I'd like to make that a motion to amend that...

Mayor Baines interjected we can't do that because we don't even have that other motion on the floor...I think we need to discuss this a little bit further and decide...again, as Mayor, I'm asking you not to act on this tonight, I would like to see ultimately this sent back to

committee for further review after there's been a review of all the City finances. You could take action tonight that could wipe out any potential increase that we're anticipating in the tax base. We haven't even given direction to the City Negotiator on percentage increases and we have every single union in the City without a contract right now, too. So, those are some of the challenges out there.

Alderman Lopez stated I think that the item on the floor is the \$100 to \$250 for Veterans, is that correct?

Mayor Baines replied that is correct.

Alderman Lopez asked could we deal with that issue.

Mayor Baines stated why don't we do that and we'll come back to this. That was my error.

Alderman Lopez asked I wonder if the Assessor's could explain what's happening throughout New Hampshire because of the veteran's situation which is dear to my heart.

Mr. Tellier stated simply put as Alderman Gatsas was quick to point out he was a leader in that legislation to provide enabling legislation to enhance or increase the amount of Veteran's credit available to communities to adopt. Previously, the standard was \$50.00...you could go to the optional which would increase it to \$100.00 which is what Manchester presently has. Under Senate Bill 45 it allowed under the Optional Veteran's Credits to change the amounts to range from \$51.00 all the way up to \$500.00 and for 100% Disabled Veteran's to go from \$1,400 to \$2,000. What we've given to you and you have it in your agenda is for every \$100.00 that's added to the present Veteran's Credit of \$100.00 you can figure approximately \$384,000 and in our previous...I do have extra copies if you don't have them with you, I can make available to you right now if you want to refer back to old spreadsheets. At \$250.00 the adjustment to the Mayor's budget and this Aldermanic Board's budget would be...this is cash...currently, the Mayor has to allocate in the budget about \$575,000...

Mayor Baines interjected...sorry, Steve, I just want to make sure that everyone understands what is it right now?

Mr. Tellier replied including the 100% Disabled Veteran's and the standard Veteran's Credit it's approximately \$575,000 in cash that this Board has to allocate in the budget. So, for every \$100...we have approximately 3,800 veterans here in Manchester and 153 are qualified recipients for the 100% total disabled. For every \$100 that we increase the Veteran's Credit it's approximately \$384,000 that you'll have to find or make up in your budget. And, whether it's the Veteran's Credit or the Elderly Exemptions or Disabled Exemptions notwithstanding whatever benefit you're looking to...whenever you increase the

benefits for one particular demographic group...if the level of services remain or the budget remains then somebody else has to take up the slack.

Mayor Baines stated so the amount, under this proposal, we'd have to increase from \$575,000 to what would be anticipated.

Mr. Tellier stated if you go to \$250.00 under what's being proposed the increase to the Mayor's budget would be \$574,650 plus...and you have a separate resolution that I understand you're going to talk about this evening which is the 100% Disabled Vets...there's a measure of cost although not anywhere near as great.

Mayor Baines stated so that's about \$.09 on the tax rate to implement that, just so you're aware.

Alderman Lopez stated I can remember back when it was \$50.00 and went to \$100.00 and the veterans had to go out into the street and beg for votes in order to get the \$100.00 from the Board of Mayor and Aldermen. I want to thank the people at the State who made the law saying that the cities and towns can change it from \$100 to \$500. In reading *The Union Leader* in the past week a lot of towns and cities have increase their rates...some even to \$500.00...would you agree with that.

Mr. Tellier stated yes and I would further state that clearly there is an effort statewide to help the veterans. We submitted to you a spreadsheet of all 13 New Hampshire cities and the more prevalent southern New Hampshire towns and the vast majority of them can be seen as to enhancing or increasing the Veteran's Credit to some degree.

Alderman Lopez stated I think the Committee was very conservative by going to \$250.00 vs. \$500.00 because we realize the impact at \$500.00 would be \$1.5 million vs. \$574,000. So, I think that we've been responsible. The point that I want to make here is that without veterans there wouldn't be anything, we wouldn't be here today arguing if it wasn't for the veterans and we should take care of the veterans and they shouldn't have to go out in the streets or put referendum questions on ballots in order to get this passed. We have the authority to do something for the veterans, we call on the veterans every time we need them and now is our turn to pay them back. So, I'm asking the Board to pass this tonight.

Alderman Shea stated I respect my colleague here...there are other members on this Board that are veterans as well as myself and others and I think that the point that we have to remember is that we are a community made up of veterans, the young, the middle aged, and the old and that any tax as you indicated that we pass off onto one segment we are passing on to another segment and I think that we have to be careful that we, in our judgment, don't give benefits to certain elements in our society and we drive out other people just starting out. In other words, if we can remember when we first started out we had families, we had lower

types of income, we had children, and I can't speak for others but we operated our household on a shoe string and if we were hit with an increase in taxes at a young age then I think it would have been almost impossible for us to survive unless we had parents or grandparents willing to help us and I think other people are in that same position today, so we have to be very leery that we don't pass onto others...I know the Mayor made reference to the fact that there are certain younger people that can't afford to live in the City because they don't make enough money and anyone who starts off in any type of work does not start off at the top, but starts off at the bottom rung and has to work their way up. So, although I respect and certainly I'm indebted to veterans my thinking on the matter is not the same as Alderman At-Large Lopes...that I really think that we should study this because we have to be fair to all segments and I do feel that after we have certain studies done and we can realize what the total impact is going to be we really should go...in the best interest of all of our members of society in a slow and deliberate manner.

Mayor Baines stated I appreciate your comments and the only thing I would say about any financial matter to me procedurally should go to the Finance Committee once the budget has been adopted so you can consider every piece that's out there with exemptions and see how that fits into the total budget process. Unless the Board wants to be staring at a double-digit property tax increase we've got to take a look at everything and I also hope that we don't make this a litmus test on veterans. I served my country, I have a brother that served in Vietnam, another one in Korea and I had an uncle wounded in World War II, so this is not an issue about veterans...I'm just saying that financially it should be referred...when you're looking at the total financial picture of the City and see what we can do. I'm committed to working with the Board on that but we can't be dealing with finance matters when you don't even know what's happening with the budget yet.

Alderman Guinta stated three quick questions. First of all, what was the vote out of committee, was this a unanimous vote? It was...did the committee have the fiscal impact and is the committee recommending that we go forward with this today as opposed to after the budget is presented?

Deputy City Clerk Johnson stated I wasn't at the committee meeting, perhaps the Chairman could address it.

Alderman Forest stated I believe when the committee took the vote that they referred it to tonight to have it passed tonight, that was the recommendation.

Alderman Guinta asked did the committee have the full fiscal impact?

Alderman Forest replied we were informed on how much it would cost us for pretty much all the aspects of the rise up to \$500.00 by Steve Tellier. I had some concern about the amount, the vote was unanimous.

Alderman Guinta stated it's more than the \$574,000, right?

Mr. Tellier replied this Board has not discussed the Disabled Veterans portion yet, however, even if you went up to 2,000 the amount is miniscule really with budgetary concerns, it's \$91,000. So, there's only 153 qualified recipients under that portion. You're talking about \$660,000 were you to go with the recommendations that were brought forward. Last night, if my memory serves me correctly \$1,600.00 which would actually be \$30,000. So, \$30,000 and the \$574,000...you're talking about \$600,000 for the impact to go to \$250 on the Optional Veteran's Credit and to \$1,600 for the 100% Totally Disabled Veteran's Credit...that would be in addition to the present \$575,000 that the Mayor has to allocate presently.

Alderman Guinta stated I would share the sentiments and echo some of those sentiments that have been expressed, I think we do owe a debt of gratitude to all veterans. I worked on the House Committee on this legislation a couple of years ago, I know it was important to House members and Senate members two years ago and last year when it was passed, I also think that it's important to look at it in the full context of the budget and until we have the budget I don't know that we should be passing it tonight. I think, to be fair to everybody, we should try to take it into context with everything else and review it some time in April.

Mayor Baines stated that's all I'm asking that it be dealt with during the budget process.

Alderman Gatsas stated obviously I was prepared for the DRA this evening to come in and tell us about Hardship Relief. I had sent a letter to the Commissioner on Friday once I learned they were going to be on our agenda to address what was happening with Hardship Relief. Mr. Tellier, can you tell us how many people now participate in the Hardship Relief program through the State.

Mr. Tellier replied my understanding there was a presentation here Thursday morning where the director of that program, the administration was here. Presently, there are over 1,400 recipients of the low to moderate income tax relief program. There were a little over 24,000 recipients statewide and that number is expected to go up.

Alderman Gatsas stated just to continue with that, your Honor, I can tell you that in the budget at the State level we appropriated \$10 million for Hardship Relief...\$9 million for '04 and \$1 million for '05 with the ability of those funds to rollover from '04 to '05. Those funds came from the previous year's biennium budget. In '02 the first year there was available \$5 million with \$750,000 used. In '03 when it opened up the entire State there was \$1.2 million of the \$5 million used, so we rolled \$8 million into the '04 budget. My understanding is that the number that was used in the '04 budget is somewhere around \$6.5 million which leaves a balance of about \$2.5 million for the entire State for '05. So, I was

very concerned that the DRA was going to come in here and start talking about cost-effectiveness and how people should start applying. Until we get an understanding from the State whether they're going to do a pro-rated basis on the \$2.5 million that's left for Hardship Relief or if they're going to do it on a first-come, first-serve basis and I think it's imperative that we get them in here as soon as possible and hopefully they're going to respond to the letter that I sent them. So, when you talk about waiting for this to go through the budget process there are people out there, the 1,400 that receive some large benefits. Those benefits may not be available to them in '05. That package comes forward, I believe they start filing for those...

Mr. Tellier interjected May to June.

Alderman Gatsas continued by stating May to June, so that is going to be a severe impact for people coming forward and not getting those funds that they got in '04 and I think it's imperative that we, as a City, understand that and when you look at it as being 24,000 across the State and only 1,400 participating my bet is Manchester...you're going to see probably another 1,400 to 2,000 participate in the program and there won't be funding for them.

Mayor Baines stated maybe the State could step up.

Mr. Tellier stated I might add, Mayor and Alderman Gatsas that perhaps it would be wise to send a letter to the Department of Revenue Administration in advance on your concerns. The way I understand the presentation was through talking about the mechanics of it, how to administer it, how it's administered and how people can interact to apply for it. I don't know that they would have been prepared to answer the questions that you have. Certainly, those are important questions.

Alderman Gatsas stated I addressed those questions to the State in a letter on Friday. So, I would have hoped that they would have been here before us to be prepared to answer those questions.

Mayor Baines stated I'm sure they will be.

Alderman Porter stated along the line of the DRA coming in. In Item #4 it was clearly presented that they were coming in about property tax abatement application criteria. And, Steve, you had sent a letter to the Board with the discussion regarding the 2005 revaluation but that was put off because the DRA wasn't here and yet there is no mention of the DRA participating in this particular conversation because I had anticipated that the Board of Assessors would be able to present their own case for revaluation. I guess what I would like to see and there was no information forthcoming with this and perhaps it was a little late and I understand that, but maybe it's gratuitous that the DRA was not able to come here tonight



because I would like to have some sort of idea about what we're going to be discussing about the 2005 revaluation and what the function of the DRA would be if they're here.

Mr. Tellier stated they were completely separate issues, Alderman. The presentation that was outlined in section 4 of your agenda was actually data processing and solely with respect to the Low to Moderate Tax Relief Program. On Item #12 regarding discussions on revaluation we are prepared and we have documents that we'd like to share with you regarding that, it is a separate issue.

Alderman Porter asked is there any reason why that can't be addressed tonight, your Honor?

Mayor Baines replied we asked to not have those on the agenda tonight, we do have a very serious storm going on outside and we want to get people in and out of here and home safely. So, we are going to reschedule that.

Mr. Tellier stated just wanted you to recognize, Alderman, they were not lumped together for any reasons. They were separate issues and we are prepared.

Alderman Porter stated since it has been delayed...

Mayor Baines interjected can I just remind people that you need to go through the Chair.

Mr. Tellier interjected I'm sorry, your Honor.

Mayor Baines stated I'm trying to move discussion along and recognize people, Alderman Shea.

Alderman Porter asked, your Honor, one more follow-up and then I'm done.

Mayor Baines replied go ahead.

Alderman Porter asked could you send the Board something as to the nature of your report, I think it would be protocol to at least inform us.

Mayor Baines replied that will be great and he will take care of that.

Alderman Shea stated Alderman Gatsas mentioned something about the Hardship problem from the State, my question would be is the State going to allocate any more funds or is this an unfunded mandate from the State to the City...in other words, would you expect the City to pick up the amount of money that the State previously gave to citizens, I'm not quite sure exactly how the City should be involved in something that emanated from the State that

came down for the citizens, I'm not sure, if you could could you explain a little bit more about this program that I never heard about before.

Alderman Gatsas replied the reason why I brought it up and I think it's imperative that if we're looking at any of these programs this evening when you're talking about elderly deductions that obviously...probably those 1,400 people are some of the same people that participate on the City side. The State exemption is based on the statewide property tax that's where the Hardship Relief comes in, it has nothing to do with the City, it has to do with the statewide property tax and that portion of the tax bill for the people that qualify. So, it's not an unfunded mandate, it's nothing that's there. I just think that it was imperative that the people that were going to hear this program tonight to talk about the eligibility factors of this relief, that they understand that the relief that those 1,400 got last year may not be available to them this year. So, if they're sitting there planning for a \$400.00 reduction in Hardship Relief on their statewide property tax, it may not be available to them because there's only \$2.5 million available for funding.

On motion of Alderman Shea, duly seconded by Alderman DeVries, it was voted to refer the third report of the Committee on Administration/Information Systems to the Committee on Finance to be discussed with the budget.

A second report of the Committee on Administration/Information Systems was presented recommending that property tax credits for Veterans with service-connected total disability, and their surviving spouses, be increased from \$1,400.00 to \$1,600.00, and for such purpose a resolution has been submitted. The Committee notes it has provided information submitted by the Board of Assessors and a copy of related RSA's for reference.

On motion of Alderman Lopez, duly seconded by Alderman DeVries, it was voted to refer report of the Committee on Administration/Information Systems to the Committee on Finance to be discussed with the budget.

A third report of the Committee on Administration/Information Systems was presented recommending that the income and asset limits for elderly exemptions for all categories be increased as follows:

	<u>Income Limitations</u>
Single:	from \$24,400 to \$30,000
Joint:	from \$34,400 to \$60,000

Asset Limitations  
From \$75,000 to \$100,000

And for such purpose a resolution has been submitted. The Committee notes that if has submitted information provided by the Board of Assessors and a copy of related RSA's.

Alderman Shea moved to refer the third report from the Committee on Administration/

Information Systems to the Committee on Finance to be discussed with the budget.

Alderman Garrity duly seconded the motion.

Alderman Lopez stated I'd ask Alderman Porter...he mentioned something before that we might want to amend this before we send this to committee which would be in the best interest.

Mayor Baines stated what I would suggest procedurally if we referred this to the Finance Committee and then we could actually work on drawing up an amendment in writing that we could present to the Finance Committee and send it out to the Board as a recommendation and go from there.

Alderman Gatsas stated my understanding that the way we operate on this Board is through the committee level and I think that for us to refer something to Finance Committee...I understand that, your Honor, I understand it clearly. For us to send something to the committee when we as a committee voted on something last night, I don't think is the proper situation because we can't pick and choose when we're going to listen to committees and I think that to move that to the Finance Committee when a committee worked on it, did the work, came up with a recommendation and just to move it along so that the next time it's heard is after, your Honor, your budget comes up.

Mayor Baines stated let me just answer. To me it would be procedurally correct that something that has a financial impact of this nature would normally go to a committee that decides how to deal with the finances of the City and I think that that's a logical...especially when we're just starting the budget process, so I think that's the answer to your assertion.

Alderman Gatsas stated I guess where I'm going is that you're going to present your budget and with all due respect I think that you're going to work hard at it.

Mayor Baines stated we are working hard at it.

Alderman Gatsas stated I'm sure you are, but I don't think that when we come back at the Finance Committee and we say that we should give Veteran's an exemption of \$250.00 that everybody looks at this Board and say we're increasing taxes. We should be sending that message so that you work that same problem if that's the message we're sending.

Mayor Baines stated again there are two delineations of responsibility and I think it's proper that it go to the Finance Committee.

Alderman DeVries stated a question for the Assessors...Proposal #3 on the sheet you handed out tonight...was the suggestion sent out of committee to increase the Elderly

Exemption...and you're showing a total assessed valuation impact for that proposal. Do you want to tell me the increase in the assessed valuation.

Mr. Tellier interjected you mean the decrease.

Alderman DeVries stated why don't we tell the audience at home the increase and the assessed valuation to support that proposal.

Mr. Tellier stated were it to go to 200% and it very well could be that would be a decrease of \$114, almost \$115 million.

Alderman DeVries stated in order for no increase in taxes to the residents of the City we would have to create one tax year \$114 million worth of new value coming on the books.

Mr. Tellier stated that is very unlikely.

Alderman DeVries stated we had some very significant new buildings that came on line this year.

Mr. Tellier stated that is correct and the completion of some significant buildings from last year, as well.

Alderman DeVries asked how much did we increase our assessed valuation by this year?

Mr. Tellier replied that is a budget scenario that we haven't given to the Mayor yet. We're working on that right now and I'd prefer not to hazard to guess.

Mayor Baines stated I think the largest one that I think we have seen since a lot of us have been serving has been around \$115 million, one of the largest.

Mr. Tellier stated what we expect to do for this body again is to give a short presentation on the high profile projects occurring in the City and what you can expect to see for a valuation increase.

Alderman DeVries stated my point being though...if we heard at the School budget presentation a preliminary number that was thrown out there, I thought it was somewhere in the \$35 million range potentially. I know it's early. So, I'm making the comparison that this proposal...

Mr. Tellier interjected we could be going backwards.

Alderman DeVries stated we are going backwards. I think what Alderman Lopez had asked was that to make this a realistic proposal going forth to the committee because I don't think that anybody on this Board is going to pass along that sort of a tax increase in what is probably already going to be a tough tax year for us. So, I would definitely entertain the discussion for amending the proposal. I thought Alderman Porter made some very good comments at the committee level last night to make an index increase on the income for the single and the joint, something comparable to the increases to Social Security so that we don't have our elderly going backwards and I would entertain the increase to \$27,500 (single), joint \$38,500, no change in the asset limit tonight and I would make that a motion as the suggestions sent forth to the Finance Committee.

Mayor Baines stated we have a motion to send this matter...

Alderman DeVries interjected I'm asking to amend that and I'm making that a motion...an amended amount, rather than \$30,000/\$60,000. Alderman Lopez duly seconded the motion to amend the report to Proposal #1 of the handout.

Mayor Baines stated I've accepted the motion but my problem is we don't have it in writing. The idea was to...

Alderman Lopez stated we do have it in writing...

Mayor Baines replied you're right, I apologize.

Alderman Porter stated this is being amended to send to the Finance Committee, we're not voting to pass this right now.

Mayor Baines replied correct, just to amend what's being sent to the Finance Committee.

Alderman Gatsas stated, Mr. Tellier, I think the last time these numbers were moved, I think I made the motion and Alderman Cashin had seconded it and we made it sometime in October. So, can you just refresh my memory so that maybe some of these Board members that weren't here...if memory serves me correct, I believe that the single was \$18,000 in the original legislation and the couple was \$24,000.

Mr. Tellier replied in that general range, that's accurate.

Alderman Gatsas stated and the asset limit was \$50,000.

Mr. Tellier stated \$35,000.

Alderman Gatsas stated so we took those limits and we raised them one by 50% and the other one by roughly 50% and the asset limit went up to \$75,000 which was more than a 100% increase.

Mr. Tellier stated and the elderly categories totaled...previously, they were \$68 million...it's a little deceiving but it went to \$113 million after that, however, incorporated in that the exemption amounts were increased as well because of the revaluation. So, it's very hard to discern what that increase really truly was.

Alderman Gatsas stated if we continue on that same thought process the amount that you gave us going from those increases of thirty and sixty being 200% can't really be true to fact because when you took those some five years ago and doubled the asset limit, over doubled the asset limit increased the deductions and increased the parameters of the revenue incomes we didn't get a 200% increase.

Mr. Hamilton stated I'm not sure it's the percentage amount of the increase that's the problem that we're contemplating in telling you that we think it might double, it's the amount of the joint income that's allowed under that proposal. We're saying 2,430 households would qualify under that, that's 70% of all of the elderly in the City and the \$60,000 income is at about 130% of the median household income of all households in the City, not just elderly. The movement five years ago wasn't that kind of a level and that's why there's a large increase contemplated here.

Alderman Gatsas stated there's no question that the increase when you look at those numbers, but when you say to me 70% I don't believe that 70% of the people in that bracket...you're saying that 70% of the seniors by the census data own their own property and live in it.

Mr. Hamilton stated that is the only information that we have that we can point to with any reliability. The City doesn't track any statistics on how many of the people that own property in the City are elderly or what their age might be.

Alderman Shea stated I thought we settled this and were going to committee.

Mayor Baines called for a vote on the motion to amend the report to Proposal #1 of the handout. The motion carried with Alderman Gatsas duly being recorded in opposition.

Mayor Baines called for a vote on the motion to refer the third report of the Committee on Administration/Information as amended to the Committee on Finance. The motion carried with Alderman Gatsas duly being recorded in opposition.

Communication from Alderman Shea relative to procedures for citations.

Alderman Shea stated several City departments issue citations for various offenses and it appears to me that in some instances there's no follow-up for payments. I think that this issue should be referred to the Committee on Administration so they can meet with the various departments that issue certificates such as Building, Health and Highway to explore alternatives to better address this enforcement process. I know that many of us send the Health Department and the Building Department to various residences and then when you call and you ask Glen Gagne he says well we issued the citation but there's no follow-up because Barbara used to help us out and she left a couple of years ago and we don't have any way. So, we'd like to get some teeth into this so we can get a process going, your Honor.

Alderman Shea moved that the communication be referred to the Committee on Administration/Information Systems. Alderman DeVries duly seconded the motion.

Alderman O'Neil asked, Alderman Shea, could there be other departments included like...I don't know if Fire issues citations, I know Police might issue citations...

Alderman Shea stated I just listed a few.

Mayor Baines called for a vote on the motion. There being none opposed, the motion carried.

Communication from Alderman Shea relative to Stark Park.

Alderman Shea stated recently there has been a problem at Stark Park and I compliment Alderman Roy for his work in that area. Obviously, that's a Ward 1 concern...we all have the same problem, I had the problem at both Howe Street Park and Prouts Park and the procedure that I used, your Honor, was to make what I would call a master plan for the park and obviously that is something that I would like to refer to the Committee on Community Improvement in conjunction with Parks and Recreation because what we want to do is we want to treat the cause and not the effect. In other words, there are certain problems existing and if you speak to the neighbors around that area they would explain to you what's going on but then you have to say okay what do we have to do in order to remedy this problem and I think the best way to do it is to convert that into a park where people can go where there are certain adequate facilities and so forth for the neighborhood.

Alderman Shea moved to refer the communication to the Committee on Community Improvement. Alderman Roy duly seconded the motion.

Mayor Baines stated just so you know, Alderman Shea, we had about an hour-and-a-half meeting at City Hall today with that same concept that we talked about very strongly...we had Ron Ludwig in, other representatives from Parks and Recreation, the Police Department and that was our recommendation that we develop a master plan for the park because I absolutely agree with you and you've done a great job in your ward with the parks...let's bring that park back to the place it should be and open it up to all of the citizens of Manchester, not to just continue to close it down and then not have access and we came to a very strong conclusion today and I appreciate the motion tonight; that is exactly the direction we're moving and we're actually going to have a proposal in to deal with some issues to get the master plan going.

Alderman Shea stated I wasn't aware that, your Honor, but you have realize I have ESP.

Alderman Roy stated I would like to thank the Chairman for bringing this forward. As being the face on this recommendation I'd like to thank the Police Department and Parks and Recreation for all of their support as well as the Mayor's Office for not only working with the short-term solutions but looking for the long-term goals and the funding and a comprehensive revitalization plan so that that can truly be the gem of the City and I know Alderman Gatsas is going to discuss the fact that as we work on Ward 1 parks we need to not lose focus on other City parks. The problem of illegal behavior is not exclusive...as we work on illegal behavior in one park we cannot lose focus on the overall City focus that we need to provide a good quality of life. So, thank you Mayor and Chairman.

Alderman Gatsas stated what I was thinking was we need to include Derryfield Park in that same master plan.

Mayor Baines called for a vote on the motion to refer Alderman Shea's second communication to the Committee on Community Improvement.

There being no further business to come before the Board, on motion of Alderman O'Neil, duly seconded by Alderman Shea, it was voted to adjourn.

A True Record. Attest.

City Clerk